

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Promotion of Competitive Networks in Local
Telecommunications Markets

WT Docket No. 99-217

COMMENTS
of the
GENERAL SERVICES ADMINISTRATION

GEORGE N. BARCLAY
Associate General Counsel
Personal Property Division

MICHAEL J. ETTNER
Senior Assistant General Counsel
Personal Property Division

GENERAL SERVICES ADMINISTRATION
1800 F Street, N.W., Room 4002
Washington, D.C. 20405
(202) 501-1156

Economic Consultants:

Snavelly King Majoros O'Connor & Lee, Inc.
1220 L Street, N.W., Suite 410
Washington, D.C. 20005

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Summary

GSA owns and manages more than 1,700 buildings, and leases space in another 6,600 buildings, in nearly every part of the United States. Because of its role as a major landlord, leaseholder and tenant, GSA is in a unique position to address issues concerning access to telecommunications services in multiple tenant environments (“MTEs”).

In order to fulfill its mission, GSA seeks to obtain the widest possible array of telecommunications services at the lowest possible cost for its customers. GSA’s approach centers on encouraging competition, whether in government–owned buildings or in commercially–owned buildings where the government is a leaseholder.

In response to the Commission’s request for data on access to services in MTEs, GSA is pleased to report that many tenants in Federally–owned buildings are able to obtain telecommunications services from alternative providers. Indeed, customers in many of these buildings in major cities are able to procure local voice and data services at significantly reduced rates through competitive bidding practices. GSA is not aware of situations where a customer in a Federally–owned building has been deprived of an alternate telecommunications service or vendor, where such alternatives exist in the local area. Of course, based on the changing state of the telecom industry, these alternatives have not yet become available everywhere.

GSA also expresses its satisfaction over the progress being made with telecommunications access in thousands of buildings that are leased from private sector companies. GSA has taken steps to ensure that private sector owners that lease space to the Federal government provide access to those companies the agency has contracted with. Despite the recent downturn of the telecom industry, benefits are flowing to GSA, its customers, and Federal taxpayers. Any new requirements must be balanced against the considerable value — for GSA’s customers as well as the Federal taxpayer — of keeping lease costs down.

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**COMMENTS
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GENERAL SERVICES ADMINISTRATION**

The General Services Administration ("GSA") submits these Comments on behalf of the customer interests of all Federal Executive Agencies ("FEAs") in response to the Public Notice ("Notice") in WT Docket No. 99-217 released on November 30, 2001. The Notice seeks information on the current state of the market for advanced telecommunications services in multiple tenant environments ("MTEs").

I. INTRODUCTION

Pursuant to Section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. 481(a)(4), GSA is vested with the responsibility to represent the customer interests of the FEAs before Federal and state regulatory agencies. From their perspective as end users, the FEAs have consistently supported the Commission's efforts to bring the benefits of competitive markets to consumers of all telecommunications services.

On October 25, 2000, the Commission released an order implementing measures to ensure that competing telecommunications providers are able to provide

services to customers in MTEs.¹ At that time, the Commission also released a Further Notice requesting information on the state of this market.²

GSA owns and manages more than 1,700 buildings, and leases space in another 6,600 properties, mostly office buildings, in nearly every part of the United States. In all, under the authority of 40 U.S.C. 601 *et seq.*, GSA owns or leases approximately 330 million square feet of workspace (about 58 percent owned and 42 percent leased). Because of its role as a major landlord, leaseholder and tenant, GSA is in a unique position to address issues in proceedings concerning access to telecommunications services in MTEs.

To express the FEAs' interests and recommendations concerning access in MTEs, GSA submitted Comments on December 22, 2000 in response to the *Competitive Networks Order and Further Notice*. In those Comments, GSA reported that competitors have occasionally encountered barriers to free entry when starting to provide services in MTEs.³ In addition, GSA explained that it is important to balance the interests of building owners, users, and carriers when considering issues concerning carriers' access to MTEs.⁴

In the Further Notice released on October 25, 2000, the Commission stated that an assessment of the access to telecommunications services available in MTEs should be guided by the state of the market at some point after release of the *Competitive Networks Order* and implementation of the "best practices" proposed by

¹ WT Docket No. 99-217, First Report and Order and Further Notice of Proposed Rulemaking; CC Docket No. 96-98, Fifth Report and Order and Memorandum Opinion and Order; and CC Docket No. 88-57, Fourth Report and Order and Memorandum Opinion and Order, 15 FCC Rcd. 22,983 (2000). (*"Competitive Networks Order and Further Notice"*).

² *Id.*

³ Comments of GSA, December 22, 2000, pp. 3-5.

⁴ *Id.*, pp. 5-7.

the real estate industry.⁵ The comments submitted in response to the most recent Notice will help the Commission to complete its assessment.

GSA seeks to procure the best array of telecommunications services at the lowest possible cost for its customers. GSA's approach centers on encouraging competition, whether in government-owned buildings or in commercially-owned buildings where GSA (or any other Federal agency) is a leaseholder. From this perspective, GSA respectfully submits these Comments in response to the Notice.

II. MANY TENANTS IN FEDERALLY-OWNED BUILDINGS ARE ABLE TO OBTAIN TELECOMMUNICATIONS SERVICES FROM ALTERNATIVE PROVIDERS.

The Notice identifies the types of data that would be useful in assessing the state of the market for telecommunications services in MTEs.⁶ In summary, the Commission seeks information on the experiences of carriers, building owners, and end users concerning choices available for efficient, non-discriminatory access to a variety of telecommunications services in MTEs.

In response to the Commission's request for the experience of end users, GSA is pleased to report that tenants in many Federally-owned buildings in major cities are in fact obtaining telecommunications services from alternative providers, where such alternatives exist in the local area. Of course, based on the changing state of the telecom industry, these alternatives have not yet become available everywhere. However, where they are available, customers in many Federally-owned buildings are able to procure local voice and data services at significantly reduced rates through a GSA-managed competitive procurement known as the Metropolitan Area Acquisition ("MAA").

⁵ *Competitive Networks Order and Further Notice*, para. 130.

⁶ Notice, p. 2.

Benefits of the MAA program have reached 23 cities, with three more planned in 2002. One leading competitive local carrier employing fixed wireless technology has obtained MAA awards in 14 cities. Also, a wireline competitive local carrier has obtained 10 awards. Customers in Federally-owned buildings are beginning to enjoy the benefits of alternate telecommunications services and vendors. Fully three-quarters of GSA's MAA customers are currently being served by one or another of the competitive local carriers noted above. This outcome reflects positively on the program and its diversity of providers and technologies.

Moreover, to ensure that the government's ownership interests are protected, GSA's Public Buildings Service ("PBS") has developed a model license agreement clarifying the responsibilities that accompany MTE access by wireless providers. This agreement is based, to a considerable extent, on the model license developed by the commercial real estate industry, enabling GSA to draw upon private sector expertise and leveraging the agency's existing relationships with private sector building owners. GSA's license agreement has been implemented with the fixed wireless carrier noted above. A similar model is being developed for use with incumbent local carriers. Such agreements will be non-exclusive, consistent with GSA's objective of leveraging competition in the telecommunications industry.

III. GSA IS PLEASED WITH THE PROGRESS OF PRIVATE SECTOR BUILDING OWNERS IN PROVIDING ACCESS TO CARRIERS.

GSA is concerned with telecommunications access in the 6,600 properties that are leased from companies in the private sector. GSA expects that private sector owners that lease space to the Federal government will provide access to carriers with which GSA has contracted in the MAA program. PBS' model Solicitation for Offers ("SFO") spells out this requirement.

PBS' approach is in no way intended to compel private sector owners to grant access for all telecom providers. Nor does the policy specify the terms and conditions under which access should be provided, because GSA believes this is a matter for the marketplace to determine in each instance.

Despite the downturn of the telecom industry, access agreements between private sector landlords and competitive local providers are continually being signed. Thus, benefits are flowing to GSA, its customers, and Federal taxpayers.

At the same time, GSA has invested considerable effort streamlining its lease requirements so it is more attractive for landlords to do business with the government. It must be recognized that, in one-third of the buildings that GSA leases from the private sector, the Federal government occupies less than 25 percent of the total space. Thus, the prospective imposition of any new requirements must be balanced against the considerable value — for GSA's customers as well as the Federal taxpayer — of keeping lease costs down.

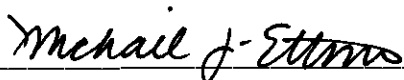
IV. CONCLUSION AND SOURCES FOR ADDITIONAL INFORMATION

For the convenience of the Commission and other parties, PBS' policy concerning telecommunications access in MTEs, which was developed within the past year, is posted on GSA's Internet site at <http://www.gsa.gov/telecom-in-buildings>. Every initiative and document referenced in these Comments — including a link to the MAA program — is available or discussed at that site.

PBS would be pleased to respond to any questions that the Commission may have, or to provide further information. The PBS contact is Paul Lynch, Assistant Commissioner, Office of Business Performance: Phone 202-501-0971; Fax 202-501-3296; or Email paul.lynch@gsa.gov.

Respectfully submitted,

GEORGE N. BARCLAY
Associate General Counsel
Personal Property Division



MICHAEL J. ETTNER
Senior Assistant General Counsel
Personal Property Division

GENERAL SERVICES ADMINISTRATION
1800 F Street, N.W., Rm. 4002
Washington, D.C. 20405
(202) 501-1156

February 1, 2002

CERTIFICATE OF SERVICE

I, MICHAEL J. ETTNER, do hereby certify that copies of the foregoing "Comments of the General Services Administration" were served this 1st day of February 2002, by hand delivery or postage paid to the following parties.

The Honorable Michael K. Powell,
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

The Honorable Kevin J. Martin,
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

The Honorable Michael J. Copps,
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

The Honorable Kathleen Q. Abernathy
Commissioner
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Office of Media Relations
Reference Operations Division
Federal Communications Commission
445 12th Street, S.W.
Room CY-A257
Washington, D.C. 20554

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W. TW-A325
Washington, D.C. 20554

Qualex International
Portals II
445 12th Street, S.W.
Room CYB402
Washington, D.C. 20554

Editorial Offices
Telecommunications Reports
1333 H Street, N.W., Room 100-E
Washington, D.C. 20005

Ms. Edith Herman
Senior Editor
Communications Daily
2115 Ward Court, N.W.
Washington, D.C. 20037P

Leon Jackler
Commercial Wireless Division
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street
Room 4-B445
Washington, D.C. 20554

